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Zimbabwe

Grain and Feed

Annual

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Report Highlights:

While Zimbabwe still suffers economic and political turmoil, indications are that corn production recovered somewhat in 2003/2004. The crop planted in 2003 is estimated at 900,000 tons, showing an improvement over the previous two seasons. It is still well short of estimated domestic demand of 1.6 million tons. The Government of Zimbabwe is expected to import about 500,000 tons, leaving 200,000 tons to be supplied through food aid. The current wheat crop is estimated at 80,000 tons with the 275,000 tons deficit to be made up for by commercial imports.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Pretoria [SF1]
[RH]

Summary

Zimbabwe suffers from a precarious economic and political slump. The availability and affordability of food has become a focal point in the turmoil, with the infamous land redistribution program mainly blamed for the problems. Corn is the staple food crop and while the crop planted in 1999 still exceeded 2.1 million tons, the current crop, planted in 2003, is estimated at 900,000 tons. Various national and international agencies are involved in trying to estimate the food supply and demand situation, with varying results. The data used in this report is an educated aggregate of the different figures. The situation is complicated by the fact that the agricultural economy has reverted to subsistence/small scale farmer production with very little real data, such as deliveries to silos, to work with.

While the current, 900,000 ton, corn crop estimate indicates an improvement over the past two seasons, it is still well short of estimated domestic demand of 1.6 million tons. The Government of Zimbabwe has shown remarkable resilience in purchasing corn and 2003/04 purchases probably exceeded 350,000 tons, with an additional 80,000 tons brought in by the private sector. Food aid shipments added about 320,000 tons for a grand total of 750,000 tons. The MY 2004/05 deficit is about 700,000 tons with the Government expected to cover about 500,000 tons with commercial imports and the rest to be supplied as food aid.

The 2004 wheat crop is only expected to reach 80,000 tons with the 275,000-ton deficit to be made up by commercial imports.

Sources

<http://www.fao.org/docrep/007/J2650e/J2650e00.htm>
<http://www.fao.org/docrep/007/J2649e/J2649e06.htm>
<http://www.fao.org/docrep/007/J2649e/J2649e10.htm>
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www.fao.org/GIEWS
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www.fao.org/WAICENT Food Security
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<http://www.fas.usda.gov/pecad/highlights/2004/06/zimbabwe/index.htm>
<http://zimbabwesiuation.com>

CORN

PSD Table

Country Zimbabwe
Commodity Corn

Market Year Begin	2002	Revised	2003	Estimate	2004	Forecast
	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
		05/2003		05/2004		05/2005
Area Harvested	1400	1355	1300	1365	1400	1395
Beginning Stocks	81	90	81	130	81	130
Production	800	800	900	900	1000	1150
TOTAL Mkt. Yr. Imports	400	750	600	700	600	450
Oct-Sep Imports	625	0	600	0	600	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1281	1640	1581	1730	1681	1730
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	100	100	150	125	150	125
TOTAL Dom. Consumption	1200	1510	1500	1600	1600	1650
Ending Stocks	81	130	81	130	81	80
TOTAL DISTRIBUTION	1281	1640	1581	1730	1681	1730

Production

At the moment it is virtually impossible to make a meaningful analysis of the food supply in Zimbabwe. The whole situation has become highly politicized and data regarding corn, the staple food, is limited. The government is adamant to prove the success of its much maligned land reform program and predicts a record harvest of 2.4 million tons from the area planted in 2003, three times the quantity produced in the previous season. In this self-sufficiency charade it is also not releasing meaningful trade figures, aggravating the uncertainty. Various international and local agencies are involved in trying to solve the puzzle. The 2004 FAO assessment mission was cut short by the government before it could finish its task. It did, however, conclude that the current corn crop is only likely to reach about 708,000 tons. Although these are widely divergent figures, we are also taking data from other sources into account. Findings are based on fieldwork, rainfall and other weather data, satellite imagery, etc. The problem is that the estimates concerning the area planted vary considerably in this new, small farmer, based economy. While the additional information used in conjunction with historical trends can give an indication of the expected average yield, estimating the total crop is based not only on the area planted, but also on the area harvested for grain. In the final analysis we used all the data from the various sources, discarding obvious outliers, and arrived at our estimate.

Corn production from the crop planted in 2003 is estimated at 900,000 tons, up 100,000 tons from the previous season's 800,000 tons. Harvested area is estimated at 1.365 million hectares, up 10,000 hectares from last season. The less than expected increase in area planted is attributed to seed and other input shortages at the time of planting and a severe dry spell during November and December 2003, which destroyed many first plantings. The production trend is up, and we predict that the crop to be planted later in 2004 will show further improvement.

The land resettlement program has reduced the harvested area for the large-scale commercial sector from an estimated 162,000 hectares in 1999/2000 to 5,000 hectares this season. Correspondingly, corn production in the high yielding commercial sector dropped from about 40% of total output in 1999/2000 to an estimated three percent this year. This had a devastating effect on the average yield attained but will be the norm for the future as the country reverts to smaller scale production.

The following table highlights the situation using the revised area and production data:

Year of planting	1999	2000	2001	2002	2003	2004
Area 1,000 ha	1,425	1,225	1,320	1,355	1,365	1,395
Yield Mt./ha.	1.51	1.20	0.38	0.59	0.66	0.82
Production 1,000 mt.	2,150	1,475	500	800	900	1,150

National corn yield for the current season is estimated at 0.7 tons/hectare, below the five-year average of 0.9 tons/hectare. This is due to below average rainfall in the eastern grain areas and the reduction in the area planted on the high yielding commercial farms. Additional factors which affected corn yields this year include the cost and availability of inputs, the quality of seeds available, and a shortage of equipment. The newly resettled farmers also had to adjust to their new environment. The reasons for the smaller than expected crop are well documented in the various reports listed under Sources on page 2.

Consumption

Consumption demand during MY 2004/05 is estimated at 1.6 million tons, including 1.375 million ton for human consumption, 125,000 tons for feed and 100,000 tons for seed and losses. It must be clear that the bulk of the crop is small-scale production and subsistence consumption, which never reaches the silos (deliveries may reach 250,000 tons). Actual figures can thus not be measured and it remains a subjective calculation. Consumption in My 2001/01 was close to 1.9 million tons but dropped to 1.7 in 2001/02 and about 1.35 in 2002/03 when the combined effect of a drought and the land reform affected supply. Consumption recovered to about 1.51 million tons in My 2003/04 assisted by food aid shipments.

Trade

Although official figures are not available, Zimbabwe imported substantial quantities of corn during MY2003/04. The Grain Marketing Board apparently imported more than 350,000 tons, the WFP about 220,000 tons, other NGO's about 100,000 tons, and private imports amounted to at least 80,000 tons for a total of 750,000 tons. This included more than 410,000 tons from or via South Africa (including some donations). The following table gives an indication of food aid deliveries:

Donor	2002/03	Metric tons	2003/04
European Union	3,300	European Union	23,100
NGO's	10,600	India	50,000
USA	10,300	USA	27,800
World Food Program	267,600	WFP	221,200
Total	291,800	Total	322,100

The EU bought 23,100 tons, and the WFP 108,700 tons, for a total of 131,800 tons, in South Africa, mainly due to the fact that Zimbabwe insisted on GMO free corn. During MY 2003/04, South Africa also received the 27,000 tons of GMO free white corn from the US for re-export to Zimbabwe. During the first two months of the new season, May and June 2004, South Africa sent 40,500 tons of white corn to Zimbabwe. Donated GMO grain for Zimbabwe coming through South Africa has to be milled before delivery, in which case it is not included in the "whole grain" trade figures.

The 2004/05 deficit is estimated at about 700,000 tons. Apparently the GMB bought an additional 200,000+ tons of corn to be delivered during the current, 2004/05, marketing year. The new monetary policy of strict regulation of foreign exchange transactions introduced earlier this year through a mechanism of controlled auctions, increased cotton production, and higher tobacco prices, has improved the Government's foreign exchange position. The government apparently also sold a big portion of the tobacco crop forward, obtaining foreign exchange in the process.

If Zimbabwe is able to import another 300,000 tons of corn commercially, on top of the 200,000 tons already bought, the deficit will decrease. With total import needs calculated at 700,000 tons, this leaves a deficit of 200,000 tons to be covered by food aid donations. The aid agencies apparently had 60,000 tons available in country, but this was included in the beginning stocks of the PS&D. Restrictions on private sector corn imports were eased in 2003 and this should enable the private sector to further contribute to food imports. Given relatively good corn production in Zambia and Mozambique this year, substantial cross-border inflows are likely to occur, helping reduce the uncovered deficit. The big question remains - can Zimbabwe's pay for another 300,000 tons?

Zambia, Zimbabwe's northern neighbor, has become a net food exporter after years of relying on food aid. Over the past nine months the country has exported more than 100,000 tons of white corn to Zimbabwe, Angola and the Democratic Republic of the Congo, and donated corn to Tanzania. There are reports of more sales to Zimbabwe. Zambia's white corn production has increased from 600,000 tons harvested in 2002 to 1.2 million tons in 2003 and 1.4 million tons in 2004. The increase is due to better weather and the efforts of ex-Zimbabwean farmers settled in Zambia. Handling, storage and distribution are also now being managed by an affiliate of the South African AFGRI grain company, which also supplies inputs.

Stocks

Apparently the Grain Marketing Board had 60,000 tons in stock at the beginning of May 2004, private stocks amounted to about 10,000 tons, and aid agency stocks of about 60,000 tons to total 130,000 tons. This amounted to about one month's consumption needs. There are rumors that the Government is holding much larger stocks to be used to influence voters during the coming election, but this can't be substantiated. Foreign exchange shortages still limit the amount of stock that can be held.

Wheat

PSD Table

Country Zimbabwe
Commodity Wheat

1000 Hectare	2002	Revised	2003	Estimate	2004	Forecast
1000 Metric tons	USDA [Old]	Post [New]	USDA [Old]	Post [New]	USDA [Old]	Post [New]
Market Year Begin	07/2002		07/2003		07/2004	
Area Harvested	40	38	30	30	35	20
Beginning Stocks	100	10	100	0	100	30
Production	150	160	90	90	150	80
TOTAL Mkt. Yr. Imports	100	110	150	255	100	275
Jul-Jun Imports	100	0	150	0	100	0
Jul-Jun Import U.S.	17	0	0	0	0	0
TOTAL SUPPLY	350	320	340	345	350	385
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	250	280	240	315	250	355
Ending Stocks	100	0	100	30	100	30
TOTAL DISTRIBUTION	350	320	340	345	350	385

Production

Zimbabwe has two crop seasons for grains, summer and winter. The main growing season is summer and corresponds to the rainy season that usually starts in October-November and ends in April-May. The principal summer grains are corn, sorghum, and millet, but rain fed wheat may also be grown. The main winter crops, wheat and barley, are planted in April-May and harvested in September, and are typically irrigated on large-scale commercial farms.

Wheat production this year is expected to be below the five-year average largely because the land redistribution program has greatly affected the irrigation capacity of the farms, which previously produced 95 percent of the wheat crop. We estimated the area planted to wheat in 2003 at 30,000 hectares, and the current 2004 area planted at 20,000 hectares.

The following table highlights the recent history of wheat production in Zimbabwe:

Year of planting	Area, 1,000 ha.	Yield, Mt./ha.	Production 1,000 mt.
1999	58	5.6	322
2000	46	5.4	250
2001	45	7.1	323
2002	37.5	4.3	161
2003	30	3.0	90
2004	20	4.0	80

As most wheat in Zimbabwe is grown during winter under irrigation it is classified as "spring" wheat in international terms. Under normal conditions some hard wheat is imported to improve the gristing qualities. There is currently a shortage of wheat in the market but supplies are being supplemented by imports until the new crop is ready by mid-October.

Between July 2003 and the end of June 2004, Zimbabwe imported 70,000 tons of wheat from South Africa. In 2002/03 130,000 tons and 2003/04 to date 120,000 tons of imported wheat were re-exported from South Africa to African states, the bulk going to Zimbabwe. As total Zimbabwean imports for the 2003/04 season is estimated at 255,000 tons, substantial quantities were shipped through other regional ports.

Import needs for 2004/05 are estimated at about 275,000 tons, which Zimbabwe should be able to purchase in the commercial market.